

EMPLOYEES EXPLAIN WHAT THEY HAVE ACCOMPLISHED

Organization Is Now Perfect
and Figures are Ready on
Which to Work.

SCHEME IN DETAIL

The statement following shows approximately what amount of money could be raised from the classified civil service on a taxation of 5 per cent on salaries for three years, a law to be passed putting pensions in effect three years after its passage:

Approximate number of employees affected by the proposed retirement scheme.....	120,000
Average salary of each.....	\$900
Total annual salaries.....	\$108,000,000
Taxation at 5 per cent per year on total salary will produce.....	5,400,000
If bill should not take effect until 3 years after it becomes a law, the total amount of tax would be.....	16,200,000
This amount invested in 2½ per cent U. S. bonds will produce.....	607,500

Total income at the end of 3 years with which the scheme would have to start in business..... \$16,807,500

If the average salary is \$1,000, as stated by the Civil Service Commission, the accumulation on the above basis at the end of three years would be \$18,000,000, interest \$675,000. Total, \$18,675,000.

These figures are based upon the employees in the District of Columbia as shown by the cards in the association's possession.

VIEW OF THE PROBLEM FROM ALL STANDPOINTS

United States Civil Service Association
Makes an Exhaustive Investigation
Into the Retirement Question.

WITHOUT exception the most exhaustive study of the civil pension question made recently is that the United States Civil Service Retirement Association completed a few days ago. This association has been working to obtain some sort of pensions for civil service employees a long time, and in this campaign the executive committee and officers have collected a mass of figures, facts and opinions of great value. This data is given practically in full in *The Times*. While it is supposed to be impartial it supports unambiguously the pension proposition. The association, after describing its organization and purposes, says:

"The reason that led to the organization of this association was the fact that numerous bills had been brought before Congress as a remedy for the evil of superannuation, known to exist in the civil service, through the creation of a fund for the retirement of the aged and incapacitated servants of the Government by means of deductions to be made from salaries.

"The main idea of these bills was acceptable to a large majority, but it was seen that nearly all were lacking in some essential feature, and, more than all, that they were undigested affairs and open to the suspicion that they would not work out as a financial proposition on the premises set forth. To obtain facts and figures and work out the problem in a business way was the object of the association, and to that end it has devoted a great amount of time and labor. It inspired the Senate resolution which called for certain statistics as to age, salaries, and length of service of classified employees in Washington.

"Where copies of these tabulated statements were obtained from the departments and bureaus, it was found that the Senate resolution had been interpreted in various ways, and the figures were not in shape to be used in the calculations which the executive committee desired to have made. It was at once determined to obtain the figures in another way.

"Cards were printed at the expense of the association, and through the courtesy of the heads of departments they were placed in the hands of the classified employees. In a short time 15,846 cards were in the possession of the committee. Of the labor and time required to secure them and tabulate the data given thereon it is not necessary to speak.

"The exhibits presented in *The Times* give some idea of the task. The problem, as it is viewed by us, is not one merely as to whether employees grow old in the service as they do elsewhere and become in a measure less efficient after reaching advanced age, but what consideration is due them after reaching such age, in view of the fact that they have devoted their lives to the service and have relinquished all other opportunities.

"We therefore believe that the two interests, namely, that of the Government and that of the employee, should be considered together and not separately, and that no plan to relieve the service of superannuated employees should have consideration which does not equitably provide for the future of the employee. We believe that the service which he gives the Government is of an efficient character and that his fidelity and ability are at least as staunch and high as those given by employees in the great enterprises of the business world.

"If, therefore, the Government may find an advantage in dispensing with his services when he reaches an advanced age, he is entitled to as much consideration as is given by such great business corporations to their superannuated faithful employees.

"The principle of providing an equitable and humanitarian plan of retirement has been adopted by a large number of the great business corporations of the country, and is yearly growing in favor. We believe that the Government should not be slower than they to recognize this.

RESULTS OF THE TIMES POLL PREVIOUSLY PUBLISHED ON CIVIL PENSION QUESTION.

FAVORING.	OPPOSED.
<p>SECRETARY HAY regards the conditions as calling for best endeavors to devise a remedy. He sees an objection to a compulsory assessment plan in the difficulty of arriving at equitable taxation.</p> <p>SECRETARY TAFT believes the Government would gain by retiring employees on pension. He thinks the adoption of such a plan in the Philippines would result in a saving to the Government.</p> <p>SECRETARY HITCHCOCK declares that the Government service needs younger blood and brains. He will support a pension plan if fair to Government and employees.</p> <p>SECRETARY WILSON thinks that the pension assessment system might prove a benefit by inducing employees to save.</p> <p>SENATOR PERKINS strongly advocates the adoption of the Government of civilian retirement on pensions. He believes it is the duty of the Government to provide for its employees; that it owes them this protection and is able to pay for it.</p> <p>SENATOR SCOTT is convinced of the wisdom of a pension fund created by taxing salaries. He would separate employees into three classes, appointees, clerks, and six years, then to be examined for reappointment.</p> <p>REPRESENTATIVE GILLET (Mass.) says the conditions of the classified service call for some provision for the retirement of the superannuated.</p> <p>REPRESENTATIVE LIVINGSTON believes the present agitation will result in evolving a practicable plan.</p> <p>REPRESENTATIVE BABCOCK is convinced that some remedial action should be taken.</p> <p>FIRST ASSISTANT POSTMASTER GENERAL WYNNIE says that a retirement pension scheme is practicable if the burden be borne by the employees. He regards a Government pension plan as un-American and hopeless.</p> <p>ACTING ADJUTANT GENERAL HALL heartily favors a retirement pension scheme, but believes that it would be economy for the Government to encourage the adoption of the service as a life work.</p> <p>BRIGADIER GENERAL AINSWORTH believes it decidedly to the Government's interest to place its worn-out civil servants on a footing as superannuated officers and enlisted men of the army and navy.</p>	<p>COMMISSIONER OF PATENTS ALLEN says the civil pension system is right, and the country can afford to foot the bill.</p> <p>COMMISSIONER OF LABOR WRIGHT favors the principle, but thinks it ought to come, and that it will come.</p> <p>DIRECTOR MEREDITH, of the Bureau of Engraving and Printing, is of the opinion that life-long employees should be pensioned, regardless of their thrift or failure to save.</p> <p>DISTRICT COMMISSIONER MACFARLAND would oppose such a plan, but thinks that contributions by employees might well be supplemented by Government aid.</p> <p>ENGINEER COMMISSIONER BIDDLE says that efficiency would be enhanced by a pension system properly controlled, and that it would not only encourage the employment of physically weak men.</p> <p>CHIEF CLERK PETERS, of the Navy Department, backs his emphatic approval with a careful review of conditions and important suggestions for a plan of pension retirement.</p> <p>CHIEF CLERK IRELAND, of the Patent Office, points out the necessities for and advantages of the compulsory assessment method, which he favors.</p> <p>JUDGE CHAMBERS, of the Spanish Treaty Claims Commission, believes that a pension, predicated upon faithful service, is as much the right of the old servant as his stipend when in harness.</p> <p>CLERK YOUNG, of the District Supreme Court, favors a service pension, and points out that Federal judges are pensioned when retired.</p> <p>GREEN B. RAUM, former Internal Revenue Commissioner, indorses the scheme on the ground that not only humanity, but justice, calls for such pension of aged or incapacitated employees.</p> <p>PRESIDENT STARR, of the Civil Service Retirement Association, insists that retirement on pension will, if placed on a sound business basis, benefit both the Government and the employee.</p> <p>DISTRICT ASSESSOR DARNVILLE asks, at the expense of the Government, are pensioned, while the clerk, whose pension has been at his own expense, is allowed to go begging after his usefulness is over.</p>

Experts for the Service Submit Facts and Figures for a Plan of Retirement.

SOME two or three years since, when the question of retirement of the superannuated employees of the Government began to attract the attention of our national legislators, the executive officers of the departments, civil service reformers, publicists, one of the important officers of an executive department, and a member of the Civil Service Commission, who had long favored the scheme for the retirement of civil service employees, prepared certain data relative to the employees in a single bureau of the Treasury Department. The Treasury Department doubtless has a greater percentage of old employees than any other department of bureau, unless it be the Pension Office.

In his findings this officer placed particular stress upon the fact that a law having in view the retirement of superannuated employees would be in the interest of the service, and that by it the old, incapacitated, and inactive ones could be retired and their vacancies supplied by younger, stronger, and more active clerks, and that by an assessment upon the entire force the amount necessary for a liberal pension to those retired could be raised without expense to the Government.

The bureau referred to there are about 250 clerks whose salaries range from \$600 to \$2,000 per annum, the annual payroll amounting to about \$500,000. Of the 250 clerks there are 47 who have served 30 years and upward, and of these 18 have 40 years service; 5, 35 years; 8, 37 years; 15, 38 years; 3, 39 years; 1, 40 years; 3, 41 years; 2, 42 years; 2, 43 years; 2, 44 years; 2, 45 years; 2, 46 years; 2, 47 years; 2, 48 years; 2, 49 years; 2, 50 years; 2, 51 years; 2, 52 years; 2, 53 years; 2, 54 years; 2, 55 years; 2, 56 years; 2, 57 years; 2, 58 years; 2, 59 years; 2, 60 years; 2, 61 years; 2, 62 years; 2, 63 years; 2, 64 years; 2, 65 years; 2, 66 years; 2, 67 years; 2, 68 years; 2, 69 years; 2, 70 years; 2, 71 years; 2, 72 years; 2, 73 years; 2, 74 years; 2, 75 years; 2, 76 years; 2, 77 years; 2, 78 years; 2, 79 years; 2, 80 years; 2, 81 years; 2, 82 years; 2, 83 years; 2, 84 years; 2, 85 years; 2, 86 years; 2, 87 years; 2, 88 years; 2, 89 years; 2, 90 years; 2, 91 years; 2, 92 years; 2, 93 years; 2, 94 years; 2, 95 years; 2, 96 years; 2, 97 years; 2, 98 years; 2, 99 years; 2, 100 years.

One of the features of opposition to any system of retirement is that advanced by the younger element in the service who failed to perceive any accruing benefit to them in the payment of a salary tax until they should reach the age of sixty years or upward.

To this younger element, outside of a purely humanitarian view, and from a purely financial and personally beneficial standpoint it was shown that if the forty-seven clerks who have seen thirty years' service and upward were retired it would result in the promotion of every clerk in the office one grade and some of them two grades, leaving at the bottom forty-seven original vacancies to fill by "new blood" appointments, and that, also, for the first ten years the retirements would be very frequent and the promotions proportionately rapid.

The question was asked of the young clerks whether they were not willing to pay a salary tax of from 2 to 5 per cent per annum if by so doing they could receive a promotion which increased their salary \$500 per annum.

The opinion was expressed that the proposed measure would be beneficial to the service itself, to those remaining in the service, to those who are retired, and not detrimental to any interest.

The officer then proceeded to take up this matter from age standpoint. It was shown that of the 250 clerks in said bureau 60, or nearly 25 per cent, are 60 years of age and upward, and of these 10, 61 years; 10, 62 years; 10, 63 years; 10, 64 years; 10, 65 years; 10, 66 years; 10, 67 years; 10, 68 years; 10, 69 years; 10, 70 years; 10, 71 years; 10, 72 years; 10, 73 years; 10, 74 years; 10, 75 years; 10, 76 years; 10, 77 years; 10, 78 years; 10, 79 years; 10, 80 years; 10, 81 years; 10, 82 years; 10, 83 years; 10, 84 years; 10, 85 years; 10, 86 years; 10, 87 years; 10, 88 years; 10, 89 years; 10, 90 years; 10, 91 years; 10, 92 years; 10, 93 years; 10, 94 years; 10, 95 years; 10, 96 years; 10, 97 years; 10, 98 years; 10, 99 years; 10, 100 years.

It was shown that if the retirement age was fixed at 60, the promotions would be even more than if retired after a thirty-year service.

It was then shown that if the retirement age was fixed at sixty-five, without regard to length of service, the salaries of those sixty-five and over ranging from \$600 to \$1,800, there would be 10, 65 years; 10, 66 years; 10, 67 years; 10, 68 years; 10, 69 years; 10, 70 years; 10, 71 years; 10, 72 years; 10, 73 years; 10, 74 years; 10, 75 years; 10, 76 years; 10, 77 years; 10, 78 years; 10, 79 years; 10, 80 years; 10, 81 years; 10, 82 years; 10, 83 years; 10, 84 years; 10, 85 years; 10, 86 years; 10, 87 years; 10, 88 years; 10, 89 years; 10, 90 years; 10, 91 years; 10, 92 years; 10, 93 years; 10, 94 years; 10, 95 years; 10, 96 years; 10, 97 years; 10, 98 years; 10, 99 years; 10, 100 years.

Also, that if the retirement age was fixed at seventy without regard to length of service, the salaries of those seventy and over, ranging from \$600 to \$1,800, there would be 10, 70 years; 10, 71 years; 10, 72 years; 10, 73 years; 10, 74 years; 10, 75 years; 10, 76 years; 10, 77 years; 10, 78 years; 10, 79 years; 10, 80 years; 10, 81 years; 10, 82 years; 10, 83 years; 10, 84 years; 10, 85 years; 10, 86 years; 10, 87 years; 10, 88 years; 10, 89 years; 10, 90 years; 10, 91 years; 10, 92 years; 10, 93 years; 10, 94 years; 10, 95 years; 10, 96 years; 10, 97 years; 10, 98 years; 10, 99 years; 10, 100 years.

Having given the results following the retirement of forty-seven employees by reason of length of service, and sixty-nine employees on account of age limitation, the matter with reference to a combination of both these elements was taken up in the following order to ascertain what results would follow therefrom.

First: Those who are sixty years of age and upward, and who have served thirty years and more, of which class there are thirty-five arranged by salaries, as follows: \$1,000, one; \$1,200, four; \$1,400, five; \$1,600, twelve; \$1,800, twelve; and \$2,000, one. The retirement of this group would cause more than 200 promotions and thirty-five vacancies to be filled by new blood.

Second: Those who are sixty years of age and upward, and who have served thirty-five years and more. Of this class there are twenty-seven arranged by salaries as follows: \$1,000, one; \$1,200, three; \$1,400, two; \$1,600, five; \$1,800, four; and \$2,000, one. The retirement of this group would cause nearly 100 promotions and fifteen vacancies, to be filled by young men.

Fourth: Those who are sixty-five years of age and upward, and who have served thirty years or more. Of this class there are twelve arranged by salaries as follows: \$1,000-1, \$1,200-2, \$1,400-1, \$1,600-5, and \$1,800-3. The retirement of this group would cause about seventy-five promotions and

twelve vacancies to be filled by young men.

It will appear that no plan of retirement was discussed, but simply the advisability of Congress passing a retirement bill both from the standpoint of the beneficial effects that would accrue to the Government and the employee, and that good results would inevitably follow.

Having given the foregoing figures the question of raising the amount necessary for the payment of such persons as might be retired either for age, length of service, or both, was considered. The salary tax on the bureau being \$300,000, the taxation being at the rate of 2 to 5 per cent with an accumulation of from 1 to 3 years uninvested the amount of pension being at several dates of retirement.

At 2 per cent for 1, 2, and 3 years, the amount raised would be \$6,000, \$12,000, and \$18,000, respectively. At 3 per cent for same periods, \$9,000, \$18,000, and \$27,000, respectively; and at 5 per cent, \$15,000, \$30,000, and \$45,000, respectively.

Having ascertained the amounts that could be raised by this process of taxation, the employees who might become subject to taxation were considered in groups, as follows:

First: To pay forty-seven clerks who have served thirty years and upward whose combined salaries amount to \$74,800. If retired at 50 per cent the amount necessary will be \$37,400; at 55 per cent, \$41,140; at 60 per cent, \$44,880; at 65 per cent, \$48,620; at 70 per cent, \$52,360; and at 75 per cent, \$56,100.

Second: To pay thirty-three clerks with thirty-three years' service and upward whose combined salaries amount to \$53,400. If retired at 50 per cent the amount necessary will be \$26,700; at 55 per cent, \$29,370; at 60 per cent, \$32,040; at 65 per cent, \$34,710; at 70 per cent, \$37,380; and at 75 per cent, \$40,050.

Third: To pay sixty-nine clerks who are sixty years of age and upward, whose combined salaries amount to \$95,940. If retired at 50 per cent the amount necessary will be \$47,970; at 55 per cent, \$52,179; at 60 per cent, \$56,387; at 65 per cent, \$60,595; at 70 per cent, \$64,803; and at 75 per cent, \$69,011.

Fourth: To pay nine clerks who are sixty years of age and upward, whose combined salaries amount to \$11,000. If retired at 50 per cent the amount necessary will be \$5,500; at 55 per cent, \$5,950; at 60 per cent, \$6,400; at 65 per cent, \$6,850; at 70 per cent, \$7,300; and at 75 per cent, \$7,750.

Fifth: To pay nine clerks who are sixty years of age and upward, whose combined salaries amount to \$11,000. If retired at 50 per cent the amount necessary will be \$5,500; at 55 per cent, \$5,950; at 60 per cent, \$6,400; at 65 per cent, \$6,850; at 70 per cent, \$7,300; and at 75 per cent, \$7,750.

Many Tables Compiled to Show How Pensions Can Be Paid Without Increased Cost.

CORPORATION PENSIONS

Pensions are being paid to superannuated employees by a large majority of the large corporations of the United States, though there seems to be no general method of paying the money. The following list gives a correct idea of the extent of pension paying:

Railroads allowing pensions and having regular pension systems... 16

Railroads allowing pensions in accordance with merits of individual cases..... 5

Railroads not allowing pensions, but answering query No. 11 in the affirmative..... 26

Railroads answering query No. 11 in the negative..... 6

Railroads either not answering or answering query No. 11 in a non-committal way..... 172

Total..... 235

Banks with regular pension plans..... 6

Banks allowing pensions, but having no regular plans..... 29

Banks not allowing pensions, but answering query No. 11 in the affirmative..... 381

Banks answering query No. 11 in the negative..... 129

Banks not replying to or giving non-committal answers to query No. 11..... 1,164

Total..... 1,708

STEAMSHIP LINES.

With regular systems of retirement..... 2

Having no regular system, but retiring according to the merits of cases..... 1

Replying in the affirmative to query No. 11..... 2

Giving non-committal replies, or not answering query No. 11..... 25

Total..... 30

MISCELLANEOUS CORPORATIONS.

Miscellaneous corporations having regular pension systems..... 6

Miscellaneous corporations having no regular systems, but allowing pensions..... 6

Miscellaneous corporations having no pension systems, but answering query No. 11 affirmatively..... 22

Miscellaneous corporations answering query No. 11 in the negative..... 9

Miscellaneous corporations not answering or answering query No. 11 in a non-committal manner..... 135

Total..... 178

DEPARTMENT OFFICERS SUBMIT STATISTICS

Treasury Actuaries and Others Show Aged Employees Can Be Retired on an Equitable Basis.

WITH much labor the executive committee of the United States Civil Service Retirement Association collected, arranged, and tabulated many facts and figures, according to plans, respecting the salaries, length of service, and ages of 15,846 employees in the executive departments in Washington. The committee submitted these data to the actuaries of a New York insurance company, with certain tentative features which were thought desirable in a retirement bill, with the request to be informed as to the rates of assessment upon salaries which would be necessary to sustain the various plans suggested.

The data were not complete as to the whole service, and some elements, such as the number of separations from the service, were absent; but as far as the data would warrant general conclusions, the result of the actuaries' work has been accepted by the executive committee.

The following facts with regard to the ages of such employees were shown to exist on July 1, 1901:

Among these 15,846 employees there were 310 70 years of age and over; 544 from 60 to 69 years of age; and 1,067 from 50 to 59 years of age.

It should be said here that in accordance with an order of the President the Civil Service Commission is now engaged in tabulating data as to the whole service, which, when available, may be made the basis for any further actuarial estimates thought advisable.

The following are some of the rates given by the actuaries and the benefits which such rates would secure on retirement:

Flat rate of 6.4 per cent on all salaries—This would provide for retirement at 70; immediate retirement for all employees; pension of 1.90 per cent of average annual salary for the last 10 years of service preceding retirement for each year of service; credit for past and future service in estimating amount of pension; maximum pension of ¼ of average salary for preceding 10 years; before retirement; funds to earn 2½ per cent through investment.

If the maximum pension be increased to 2-3 of the average salary, the rate would be increased to 8 per cent.

Flat rate of 5.5 per cent—This would provide for retirement at 70; retirement deferred 10 years, assessments to continue on all in the meantime; pension of 1-60 of the average annual salary for the last 10 years of service preceding retirement for each year of service, subject to restriction as to time credit shall begin; funds to earn 2½ per cent through investment.

If to this there be added the feature of retirement after 10 years of service, for incapacity, the rate would be increased to 7 per cent.

Flat rate of 7 per cent—This would provide retirement at 70; retirement deferred ten years, assessments to continue on all in the meantime; pension of one-sixtieth of the average annual salary for the last ten years of service preceding retirement for each year of service; credit for past and future service in estimating pension; minimum pension of \$350; fund to earn 2½ per cent through investment.

In all these cases salaries are to be estimated for all purposes at not exceeding \$2,000.

This committee concluded that it could not recommend any plan which would require as high rates of assessment as those referred to above.

Any flat rate, that is, one assessed upon all alike in a plan which is to be applied to employees of different ages, must necessarily be higher for those under or about forty-five years of age and lower for those over that age, than it is believed a flat rate would be acceptable if it could be made low enough not to become burdensome.

A rate graduated upon the ages would be so high for those of advanced years as to make it impossible of adoption to apply to the whole body of employees at this time. For instance, the percentage of annual salaries required to secure a pension of one-sixtieth of the average salary for the ten years preceding retirement for each year of service, the pension to commence at service, no pension to be greater than two-thirds of such average salary or less than 25 per cent of same, for the ages mentioned, viz:

20 years..... 2.13% 61 years..... 15.03%